

AMENDED IN ASSEMBLY APRIL 24, 2014

AMENDED IN ASSEMBLY APRIL 10, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 2099

**Introduced by Assembly Member Frazier
(Coauthors: Assembly Members Medina and Williams)**

February 20, 2014

An act to add Chapter 12.5 (commencing with Section 67100) to Part 40 of Division 5 of Title 3 of the Education Code, relating to postsecondary education.

LEGISLATIVE COUNSEL'S DIGEST

AB 2099, as amended, Frazier. Postsecondary education: Title 38 awards.

Title 38 of the United States Code provides educational awards for eligible active duty members and veterans of the Armed Forces of the United States. Existing law requires an institution headquartered or operating in California desiring to enroll students eligible for federal Title 38 awards in accredited courses to make application for approval of these courses to the California State Approving Agency for Veterans Education, commonly known as CSAAVE, and authorizes CSAAVE to approve the application of the school when the school and its accredited courses satisfy the specified criteria and any additional reasonable criteria established by CSAAVE.

Unless an exception applies, this bill would deem a public or private postsecondary *educational* institution that is accredited by an accrediting agency recognized by the United States Department of Education eligible for initial and renewal Title 38 awards if the institution has a

3-year cohort default rate less than 15.5% and a graduation rate of greater than 30% for students taking 150% or less of the expected time to complete degree requirements, and satisfies the other criteria for qualification for Title 38 awards in the bill. The bill would deem a private postsecondary *educational* institution that does not meet the cohort default rate or graduation rate requirement, but that is accredited by an accrediting agency recognized by the United States Department of Education, eligible for initial and renewal Title 38 awards if the institution is issued an approval to operate from the Bureau for Private Postsecondary Education and satisfies the other criteria for qualification for Title 38 awards in the bill.

The bill would require CSAAVE to ~~certify~~ *verify* by November 1 of each year a public or private institution's latest 3-year cohort default rate and graduation rate as most recently reported by the United States Department of ~~Education~~ *Education*, and a private postsecondary *educational* institution's approval to operate issued by the Bureau for Private Postsecondary Education if that private postsecondary *educational* institution fails to satisfy the cohort default rate or graduation rate requirement. The bill would require CSAAVE to notify initial Title 38 recipients seeking to attend, or attending, an institution that is ineligible for initial and renewal Title 38 awards that the institution is ineligible for Title 38 awards for the academic year, and to provide initial and renewal Title 38 recipients at an ineligible institution with a complete list of all California postsecondary *educational* institutions at which the student would be eligible to receive a Title 38 award.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Chapter 12.5 (commencing with Section 67100)
2 is added to Part 40 of Division 5 of Title 3 of the Education Code,
3 to read:

4
5 CHAPTER 12.5. TITLE 38 AWARDS

6
7 67100. The Legislature finds and declares the following:
8 (a) Section 21.4253 of Title 38 of the Code of Federal
9 Regulations requires a postsecondary *educational* institution

headquartered or operating in California desiring to enroll veterans or persons eligible for Title 38 awards in accredited courses to make application for approval of these courses to the California State Approving Agency for Veterans Education, commonly known as CSAAVE, as the state approving agency legally designated pursuant to Section 3671 of Subchapter I of Chapter 36 of Title 38 of the United States Code.

(b) Section 21.4253 authorizes CSAAVE to approve the application of the school when the school and its accredited courses satisfy the criteria provided in Section 21.4253 and additional reasonable criteria established by CSAAVE.

(c) It is reasonable pursuant to Section 21.4253 for CSAAVE to require an institution, public or private, to maintain a three-year cohort default rate and graduation rate that satisfies the ~~three-year cohort default rate and graduation rate~~ requirements of the Cal Grant Program, or for the private postsecondary *educational* institution to be approved by the Bureau for Private Postsecondary Education, and to require the institution, public or private, to comply with all federal and state laws and regulations, *and any additional reasonable criteria established by CSAAVE*, in order for the institution to be eligible for initial and renewal Title 38 awards.

67101. The Title 38 Funding Program is hereby established, under the administration of the California State Approving Agency for Veterans Education. The California State Approving Agency for Veterans Education shall approve courses at ~~public or private postsecondary educational~~ *qualifying* institutions desiring to enroll veterans or persons eligible for Title 38 awards in accordance with federal law, this chapter, and other reasonable criteria established by the California State Approving Agency for Veterans Education.

67102. As used in this chapter, the following terms have the following meanings:

(a) An “academic year” is July 1 to June 30, inclusive. The starting date of a session shall determine the academic year in which it is included.

(b) “CSAAVE” is the California State Approving Agency for Veterans Education.

(c) (1) “Qualifying institution” means an institution that complies with paragraphs (2), (3), (4), and (5), and either paragraph (6) or (7).

(2) (A) The institution shall provide information on where to access California license examination passage rates for the most recent available year from graduates of its undergraduate programs leading to employment for which passage of a California licensing examination is required, if that data is electronically available through the Internet Web site of a California licensing or regulatory agency. For purposes of this paragraph, “provide” may exclusively include placement of an Internet Web site address labeled as an access point for the data on the passage rates of recent program graduates on the Internet Web site where enrollment information is also located, on an Internet Web site that provides centralized admissions information for postsecondary educational systems with multiple campuses, or on applications for enrollment or other program information distributed to prospective students.

(B) The institution shall be responsible for certifying to CSAAVE compliance with the requirements of subparagraph (A).

(3) The institution shall provide evidence of accreditation *of all degree programs* to CSAAVE from an accrediting agency recognized by the United States Department of Education. An institution offering an unaccredited degree that is participating in Title 38 award programs on January 1, 2015, shall have until January 1, 2016, to obtain and provide evidence to CSAAVE of its candidacy *or preaccreditation* status ~~for accreditation~~ with an accrediting agency recognized by the United States Department of Education in order for the institution to be eligible for Title 38 awards for the academic year of 2015–16, or 2016–17, or both, and to obtain and provide evidence to CSAAVE of ~~full~~ accreditation from the accrediting agency by January 1, 2017, to be eligible for Title 38 awards for the academic year of 2017–18, and each academic year thereafter.

(4) The institution shall provide, in a manner prescribed by CSAAVE, information on the institution’s veteran student retention rate and graduation rate, time to degree, cohort default rate, and graduate placement and graduate starting salary for its veteran students. CSAAVE shall require that, to the extent feasible, the collection of information and reporting calculations pursuant to this paragraph comply with federal and state reporting requirements.

(5) The institution shall provide to CSAAVE evidence of compliance with the federal Principles of Excellence program.

1 (6) (A) *The institution shall meet the school performance*
2 *standards required in this paragraph.* CSAAVE shall ~~certify~~ *verify*
3 by November 1 of each year the institution's latest three-year
4 cohort default rate and graduation rate as most recently reported
5 by the United States Department of Education.

6 (B) For purposes of the 2015–16 academic year, and every
7 academic year thereafter, the institution ~~maintains~~ *shall maintain*
8 a three-year cohort default rate that is less than 15.5 ~~percent~~, as
9 ~~certified by CSAAVE~~ *percent*, and a graduation rate of greater
10 *than 30 percent for students taking 150 percent or less of the*
11 *expected time to complete degree requirements.*

12 ~~(C) For purposes of the 2015–16 academic year, and every~~
13 ~~academic year thereafter, the institution maintains a graduation~~
14 ~~rate of greater than 30 percent for students taking 150 percent or~~
15 ~~less of the expected time to complete degree requirements, as~~
16 ~~reported by the United States Department of Education and as~~
17 ~~certified by CSAAVE pursuant to subparagraph (A).~~

18 ~~(D)~~

19 (C) Notwithstanding any other law, the requirements of this
20 paragraph shall not apply to institutions with 40 percent or less of
21 undergraduate students borrowing federal student loans, *as verified*
22 *by CSAAVE*, using information reported to the United States
23 Department of Education for the academic year two years before
24 the year in which CSAAVE is ~~certifying~~ *verifying* the three-year
25 cohort default rate or graduation rate pursuant to subparagraph
26 (A).

27 ~~(E)~~

28 (D) Notwithstanding subparagraph ~~(C)~~ (B), an otherwise
29 qualifying institution with a three-year cohort default rate that is
30 less than 10 percent and a graduation rate above 20 percent for
31 students taking 150 percent or less of the expected time to complete
32 degree requirements, as ~~certified~~ *verified* by CSAAVE pursuant
33 to subparagraph (A), shall remain eligible for initial and renewal
34 Title 38 awards at the institution through the 2018–19 academic
35 year.

36 ~~(F)~~

37 (E) If the United States Department of Education corrects or
38 revises an institution's three-year cohort default rate or graduation
39 rate that would have otherwise failed to satisfy the requirements
40 established pursuant to subparagraph ~~(B), (C), or (E)~~, (B) or (D),

1 as applicable, and the corrections or revision results in the
2 institution's three-year default rate or graduation rate satisfying
3 those requirements, the institution shall immediately regain its
4 eligibility for the academic year to which the corrected or revised
5 three-year default rate or graduation rate would have been applied.

6 ~~(G)~~

7 (F) A private postsecondary *educational* institution that becomes
8 ineligible for initial and renewal Title 38 awards pursuant to this
9 paragraph shall be provided an opportunity to gain ~~eligibility~~.
10 *eligibility under the requirements of paragraph (7)*. CSAAVE
11 shall establish rules and procedures to govern the institution's
12 transition to eligibility to ensure students who would otherwise
13 receive initial and renewal awards are not adversely affected during
14 the transition.

15 (7) (A) The institution is a private postsecondary *educational*
16 institution issued an approval to operate from, *and is subject to*
17 *the regulatory oversight and enforcement of student protections*
18 *provided by*, the Bureau for Private Postsecondary Education.

19 (B) CSAAVE shall certify by November 1 of each year whether
20 a private postsecondary *educational* institution has been issued an
21 approval to operate from the Bureau for Private Postsecondary
22 Education, if that institution fails to satisfy the requirements of
23 paragraph (6).

24 67103. CSAAVE shall do all of the following:

25 (a) Notify initial Title 38 recipients seeking to attend, or
26 attending, an institution that is ineligible for initial and renewal
27 Title 38 awards under this chapter that the institution is ineligible
28 for initial Title 38 awards for the academic year for which the
29 student received an initial Title 38 award.

30 (b) Provide initial and renewal Title 38 recipients seeking to
31 attend, or attending, an institution that is ineligible for initial and
32 renewal Title 38 awards at the institution under this chapter with
33 a complete list of all California postsecondary educational
34 institutions at which the student would be eligible to receive a Title
35 38 award.

36 67104. *Compliance with this chapter, in and of itself, shall not*
37 *be construed as satisfying the requirements for participation in*
38 *programs authorized by the federal Higher Education Act,*
39 *including, but not limited to, Section 600.9 of Title 34 of the Code*
40 *of Federal Regulations.*

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